

MCALLEN DEVELOPMENT CORPORATION, INC.
FEBRUARY 24, 2015

The McAllen Development Corporation convened in a Special Meeting on **Tuesday, February 24, 2015** at 4:00 p.m. at Palm View Golf Course conference room, with the following present:

	Veronica V. Whitacre	President
	Rick Montalvo	Director
	Abel Leal	Director
	Mario Reyna	Director
	Guillermo Aguirre	Director
	Gregory Kazen	Director
Absent:	Kevin Picou	Director
Staff:	Roel Rodriguez	City Manager
	Michelle Leftwich	Assistant City Manager
	Carla M. Rodriguez	Director of Grant Administration
	Susan Lozano	Director of Finance
	Angie Rodriguez	Budget Director
	Victor Flores	Assistant City Attorney
	Virginia Singleterry	Administrative Assistant/Board Secretary
Also Present:	Henry Flores	CEO Madhouse Development Services

**1. APPROVAL OF RESOLUTION AND FINANCIAL COMMITMENT TO
MADHOUSE DEVELOPMENT SERVICES.**

City Manager Roel Rodriguez welcomed and addressed the board. He stated that this item had been approved by the City Commission on February 23, 2015 and noted that this project (apartments) was to be built on the northeast corner of Trenton Road and Ware Road. Mr. Rodriguez added that a financial commitment of \$1.8 million (\$15,000 per apartment to be built up to 120 units) would be needed.

Mr. Henry Flores, proprietor of Madhouse Development Services addressed the Board and briefed them on the project (Orchard View at Mirabella). He stated that these apartments contained resort-style pools, full perimeter fencing, and gated entrances as well as quality living at a reduced rent. Mr. Flores explained to the Board how the tax credit worked and the method of financing. He added that the applicant provides their lender with either cash collateral or a letter of credit to guarantee the loan. The City would then provide the money to McAllen Housing Finance Corporation or the Development Corporation on a non-recourse basis with no liability and using no city funding. The Housing Finance Corporation or the Development Corporation then lends the funds to Madhouse Development at no risk.


Mr. Flores told the Board that he had come before City Commission last year to explain the benefits of the Texas Department of Housing and Community Affairs tax credit program but he had not submitted a project for McAllen last year. This year he had two requests: 1) Approval of a Resolution of Support for their application to TDHCA and 2) Financial Assistance.

Some discussion ensued amongst the Board members. Commissioner Whitacre expressed concern whether the surrounding schools could accommodate any more children. Director Leal expressed concern about the loan having any recourse.

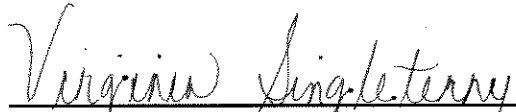
Mr. Mario Reyna moved to approve the Resolution and Financial Commitment to Madhouse Development Services. Mr. Rick Montalvo seconded the motion. The motion carried unanimously by those present.

ADJOURNMENT

There being no other business to come before the board, the meeting was unanimously adjourned at 4:40 pm.



Veronica Whitacre, President



Virginia Singleterry, Board Secretary